

**FY 2022 - 2026 Transportation Improvement Program
FY 2022 Federal Funding Balance Allocation & FY 2023 Federal Funding Allocation****Staff Report
June 9, 2022**

BACKGROUND AND REQUEST:

There are two parts to this TIP amendment and they both revisit our federal funding allocation. The first part looks at FY 2022 while the second looks at FY 2023.

FY 2022 Federal Funding Allocation

On April 14th, INDOT released the final fiscal year 2022 local sharing agreement. According to INDOT, the total amount of Federal funds we can obligate is \$6,383,900. Between the five funding categories, we've obligated \$6,066,901, leaving a balance of \$316,999. Because these Federal funds are from the Infrastructure Investment and Jobs Act, we have until September 30th to obligate them.

There are several options available where these funds can be allocated to, which are:

- a) Allocate them to the Morehouse right-of-way phase to repay the funds borrowed for the Sagamore Parkway Trail. The amount borrowed was \$262,675.
- b) Allocate them to the Soldiers Home Road preliminary engineering phase. Funding this project phase was split between FY 2022 and FY 2023 and \$138,140 in FY 2023 STBG funds are allocated.
- c) Allocated them to the South 9th Street right-of-way phase. While federal funds for this phase has been allocated to FY 2023, due to NEPA review this phase will more than likely begin in FY 2024.
- d) Allocate them to the construction phase of Yeager Road. According to the 18th month letting list, bid opening is anticipated to happen on October 13th. This is after the September 30th deadline.
- e) Allocate them to the construction phase of the McCutcheon Ped Safety project. According to the 18th month letting list, bid opening is anticipated to happen on November 16th. This is after the September 30th deadline.

Staff Recommendation:

The Technical Transportation Committee recommends allocating the \$316,999 to the Morehouse Road right-of-way phase (option a).

FY 2023 Federal Funding Allocation

Following the release of the final 2022 local sharing agreement, INDOT notified all MPO's of their new FY 2023 through FY 2026 funding targets. The good news is that funding increases every year and over the four years we will be receiving an estimated \$5.1 million more than our current estimated allocation. In FY 2023, we will be receiving an additional \$1,098,856. The new estimated amounts by category are:

STBG: \$4,610,235,

Safety: \$910,428 (\$734,911 in HSIP and \$175,517 in Section 164),
 TA: \$512,504, and
 Carbon Reduction: \$111,792

Later this year APC staff will start developing the FY 2024-2028 TIP and we will allocate our federal funds for those five years during its development.

Since we are receiving additional Federal funds in FY 2023 and beyond and starting development of a new TIP later this year, we are only going to revisit the FY 2023 Federal funding allocation. Below is a summary of the allocation currently shown in the FY 2022 TIP.

FY 2023 Federal Funding Allocation in FY 2022-2026 TIP			
STBG Funds			
		Allocation	4,077,417
		Borrowed from FY 2024	1,548,069
		Total	5,625,607
McCutcheon Ped Safety	CN		289,478
Yeager Road	CN		4,917,989
South 9 th Street	RW		280,000
Soldiers Home Road Ph 1	PE		138,140
		Total	5,625,607
		Balance	0
HSIP Funds			
		Allocation	737,570
McCutcheon Ped Safety	CN		737,570
		Total	737,570
		Balance	0
Transportation Alternative Funds			
		Allocation	230,995
Yeager Road	CN		214,328
McCutcheon Ped Safety	CN		16,667
		Total	230,995
		Balance	0

The above table shows Federal funds being allocated to four projects and the total amounts are:
 McCutcheon Ped Safety: \$1,043,715,
 Yeager Road: \$5,132,317,
 South 9th Street: \$280,000, and
 Soldier Home Road: \$138,140

Revisiting our FY 2023 allocation, there are several items that need addressed. First, we need to repay the Northwest Indiana Regional Planning Commission the Federal funds borrowed for the Sagamore Parkway Trail project. We agreed to repay the \$303,737 in FY 2023. Second, we need to look at changes to the programmed projects. APC staff has been notified that the e South 9th Street right-of-way phase will not start in FY 2023 due to additional NEPA review. We have also

been told the estimated construction cost for Yeager Road has increased. The updated estimate, federal funding amount only, is \$5,544,000 for construction and \$332,000 for construction engineering. Combining the two amounts gives a total of \$5,876,000 which is \$743,683 more than currently allocated.

APC staff has developed two scenario tables to start the allocation discussion. Table A includes the removal of South 9th Street right-of-way allocation and the allocation amounts for the McCutcheon Ped Safety and Soldiers Home Road projects remaining the same. It also shows both construction and construction engineering for Yeager Road being fully funded. Table B shows nearly the same except it does not include construction engineering for Yeager Road.

Table A Proposal

FY 2023 Federal Funding Allocation in FY 2022-2026 TIP			
STBG Funds			
		<i>Allocation</i>	4,610,235
		<i>Borrowed from FY 2024</i>	1,216,633
		Total	5,826,868
NIRPC Repayment	---		303,737
McCutcheon Ped Safety	CN		133,287
Yeager Road	CN		5,251,704
South 9 th Street	RW		0
Soldiers Home Road Ph 1	PE		138,140
		Total	5,826,868
		Balance	0
HSIP Funds			
		Allocation	910,428
McCutcheon Ped Safety	CN		910,428
		Total	910,428
		Balance	0
Transportation Alternative Funds			
		Allocation	512,504
Yeager Road	CN		512,504
McCutcheon Ped Safety	CN		0
		Total	518,775
		Balance	0
Carbon Reduction Funds			
		Allocation	111,792
Yeager Road	CN		111,792
		Total	111,792
		Balance	0

Table B Proposal

FY 2023 Federal Funding Allocation in FY 2022-2026 TIP				
STBG Funds				
		<i>Allocation</i>	4,610,235	
		<i>Borrowed from FY 2024</i>	884,633	
		Total	5,494,868	
NIRPC Repayment	---		303,737	
McCutcheon Ped Safety	CN		133,287	
Yeager Road	CN		4,919,704	
South 9 th Street	RW		0	
Soldiers Home Road Ph 1	PE		138,140	
		Total	5,884,868	
		Balance	0	
HSIP Funds				
		<i>Allocation</i>	910,428	
McCutcheon Ped Safety	CN		910,428	
		Total	910,428	
		Balance	0	
Transportation Alternative Funds				
		<i>Allocation</i>	512,504	
Yeager Road	CN		512,504	
McCutcheon Ped Safety	CN		0	
		Total	518,775	
		Balance	0	
Carbon Reduction Funds				
		<i>Allocation</i>	111,792	
Yeager Road	CN		111,792	
		Total	111,792	
		Balance	0	

In either scenario, we will need to “borrow” from another MPO in order to fund the projects. It should be noted that the current TIP shows we are already borrowing \$1,548,069. This is more than what is shown in the Tables A and B.

What are the possible ramifications of fully funding all four projects as is shown in Table A?

- The South 9th Street right-of-way phase will need to be programmed in FY 2024. The current amount needed is \$280,000. This could increase and if it does, the Morehouse Road Phase 1 projects may not be fully funded.
- Estimated construction costs for the Morehouse Road Phase 1 & 2 projects. Phase 1 is programmed to occur in FY 2024 with phase 2 in FY 2025. With the additional funds, there appears to be enough federal funds for both phases now. If estimates increase, there may not be enough to fully fund the two phases.

- c) The right-of-way phase for the Soldiers Home Road project is anticipated to begin in FY 2025. The estimated right-of-way costs could increase.
- d) A new bicycle and pedestrian project. Since June of 2012, our policy is to allocate at least ten percent of our STBG funds for these projects. Now that the Sagamore Parkway Trail has been let for construction, there are none of these projects in the TIP. If a new project comes on-line, it would have priority over the projects already programmed.

Staff Recommendation:

The Technical Transportation Committee recommends allocating our updated FY 2023 funding allocation as shown in Table A Proposal.